



AUDIT & COMPLIANCE COMMITTEE CHARTER SUMMARY DOCUMENT

- Provides a framework for reporting Corporate Compliance Program activities to the Board of Directors through the Audit & Compliance Committee and Chief Executive Officer
- Establishes formal reporting requirements through written reports and meeting minutes

Approval:

Audit & Compliance Committee of the Board of Directors on 04/16/2010

Subsequent Approval:

March 19, 2015



Category: GOVERNANCE		
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Title: AUDIT & COMPLIANCE COMMITTEE OF THE BOARD OF DIRECTORS CHARTER	Approval Date:	Posting Date:

This document sets forth the duties and responsibilities, and governs the operations of the Audit & Compliance Committee of the Board of Directors of Cook County Health (CCH).

PURPOSE

CCH Chief Executive Officer (CEO) and the Board of Directors (Board) are committed to the proper oversight of our Audit and Compliance programs. In furtherance of this objective, the Board initiated an Audit and Compliance Committee (Committee)¹ composed of independent directors.

The purpose of the Committee is to provide oversight to the CCH internal audit and corporate compliance programs and monitor that systems are in place to ensure the quality of information used by the Board of CCH or by external agencies to evaluate the fiscal affairs and regulatory compliance. Additionally, the Audit and Compliance Committee will provide oversight to ensure the Board of Directors and management of CCH establishes a culture based on honesty and integrity.

The Committee shall advise the Board in matters relating to:

- a) the integrity of CCH financial reporting,
- b) the effectiveness of CCH internal controls over financial reporting, operations, information technology and regulatory matters.
- c) the performance and effectiveness of CCH internal audit and corporate compliance programs and the independent public accountants,
- d) the implementation of standards and processes to ensure professional responsibility and honest behavior,
- e) the compliance with regulatory requirements, as they relate to and impact the operational areas above,
- f) risk management, as it relates to internal audit and corporate compliance, and
- g) the effectiveness of CCH internal controls relating to its information technology environment.

POLICY

1. The Board has established a Committee charged with the responsibility of providing oversight to the internal audit and corporate compliance programs of the organization to ensure the organization has adopted and implemented policies and procedures that will support compliance with applicable laws and regulations.

¹ Since the 1940s, this has been preferred method to provide financial oversight within their companies. For the last decade, the Office of Inspector General (OIG) in their compliance guidance has also promoted the same approach in ensuring compliance with all applicable laws and regulations. The OIG believes that creation of Board leadership "as a first step, a good faith and meaningful commitment on the part of the ... administration, especially the governing body and the CEO, will substantially contribute to a program's successful implementation." They also see that effective Board oversight of compliance as one of their critical fiduciary responsibilities.

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2. The primary goals of the Committee are to
 - a) assist the Board in fulfilling its fiduciary responsibilities relating to the regulatory and financial compliance with applicable laws, regulatory requirements, industry guidelines, and policies;
 - b) ensure the organization has adopted and implemented policies and procedures which will require CCH to act in compliance with applicable laws, regulations, and policies. This includes but is not limited to the quality and integrity of accounting, auditing, and compliance reporting methodologies and financial reporting that reflects the condition of the organization in all material respects;
 - c) review and approve annual internal audit and corporate compliance program plans and monitor the ongoing progress of said plans;
 - d) address and review matters concerning or related to the internal audit and corporate compliance programs; and
 - e) provide a vehicle for communication between the Board, CCH management, and the independent auditors concerning the internal audit and corporate compliance programs.

DEFINITIONS

“Counsel” refers to CCH Office of General Counsel or outside counsel as designated.

“Chief Compliance Officer” means the System Chief Compliance & Privacy Officer or his/her staff as designated by the Chief Compliance Officer.

“Director of Internal Audit” means the System Director of Internal Audit or his/her staff as designated by the Director of Internal Audit.

PROCEDURES

The Committee shall:

1. Be comprised of **a minimum of** three (3) to five (5) Board members with working knowledge of a health system, none of whom is an officer or employee of the organization, its subsidiaries or affiliates with one of which shall be deemed a financial expert.
2. Be independent of management and free of any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a committee member.
3. Have the authority to hire, terminate, and determine the compensation for the Chief Compliance Officer and the Director of Internal Audit.
4. Have the authority to engage independent counsel and other advisors, as it determines necessary to carry out its duties.
5. Provide independent oversight of CCH internal audit and corporate compliance programs, financial reporting processes, internal controls and independent auditors.
6. Meet in advance of meetings of the Board, at least four times annually and more frequently, as necessary and shall make recommendations to the Board annually, after consultation with the Chief Executive Officer, on those findings and matters within the scope of their responsibility.
7. Maintain minutes of all its meetings to document its activities and recommendations.

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8. Meet periodically with the Chief Compliance Officer, Director of Internal Audit, and the independent auditors to be kept informed on their independent evaluation of compliance with legal, regulatory, financial, accounting and auditing practices.

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9. Where there is an applicable exception under the Illinois Open Meetings Act Illinois Open Meetings Act: 5 ILCS 120/2(c) the Committee shall convene in closed session at least quarterly to review and discuss matters as they relate to the Committee.
10. Review policies and procedures relating to the integrity of financial information of the organization and those other related entities for the purpose of assuring adequacy of the internal controls and financial operations.
11. Review policies, procedures, and practices relating to information technology and related controls, for the purpose of ensuring the integrity of the internal controls for securing private and confidential information and the efficiency and effectiveness of information technology operations.
12. Review and approve annual internal audit and corporate compliance program plans and monitor the ongoing progress of said plans and ensure any related work is coordinated with the independent auditors.
13. Meet with the independent auditors and financial management to review the scope of the proposed audit for the current year and the audit procedures to be utilized and at the conclusion thereof review such audit, including any comments or recommendations of the independent auditors.
14. Review changes in the accounting standards and applicable policies and procedures with the independent auditors. Make appropriate recommendations to management and the Board on the findings included in the independent auditors' management letter.
15. Review the financial statements contained in the annual report with management to ensure that they are timely and free from material errors and that all appropriate disclosures are made. Determine that the independent auditors are satisfied with the disclosure and content of the financial statements.
16. Provide oversight to the implementation of the corporate compliance program, and ensure adherence to the ~~Standards of Conduct~~ Code of Ethics and Governmental Rules and Regulations and recommend any revisions thereto, as appropriate.
17. Provide oversight to the corporate compliance program relating to the conduct of business that will ensure that high ethical and conduct standards are met. Ensure the mission, values, and ~~Standards of Conduct~~ Code of Ethics are properly communicated to all employees on an annual basis.
18. Review matters relating to education, training and communication in connection with the ~~Standards of Conduct~~ Code of Ethics to ensure that the policies and procedures on compliance are properly disseminated, understood and followed.
19. Present to the Board, as appropriate, such measures and recommend such actions as may be necessary or desirable to assist CCH in conducting its activities in compliance with applicable regulations, policies, and the ~~Standards of Conduct~~ Code of Ethics. This includes the results of individual audits, related findings and management's response to said findings.

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ORIGINAL APPROVAL

At the Audit & Compliance Committee of the Board of Directors of the Cook County Health and Hospitals System on Friday, April 16, 2010 at John H. Stroger, Jr. Hospital of Cook County, 1901 W. Harrison Street, in the fifth floor conference room, Chicago, Illinois.

SUBSEQUENT APPROVAL

At the Audit & Compliance Committee of the Board of Directors of the Cook County Health and Hospitals System on March 19, 2015 at 1900 West Polk, 2nd Floor Conference Room, Chicago, Illinois.

REVIEW HISTORY:

Written: January 22, 2010

Updated: April 16, 2010

Updated: March 19, 2015

Approved: March 19, 2015

Updated: June 04, 2019

Approved: